

HHS Task Force on Drug Importation
5600 Fisher's Lane
Conference Rooms G & H
Rockville, MD
Testimony of Kevin W. Concannon
Director, Iowa Department of Human Services
May 5, 2004

Members of the Task Force on Drug Importation:

- My name is Kevin W. Concannon, I am the Director of the Iowa Department of Human Services, and appear today representing Governor Thomas Vilsack and the state of Iowa.
- Iowa strongly favors importation and reimportation of prescription drugs as an additional way to provide access to needed medications for the residents of our state.
- Iowa views much greater risks daily to the lives of our residents who should be taking medications for chronic health conditions but are unable to do so because of the lack of affordability of medications. In short, we believe there is much greater risk and harm to residents of our state from this primary reason, from lack of access, than the minimal risk associated with importation or reimportation of medications from Canada.
- We believe the personal safety of our residents is much more seriously compromised daily by their inability to obtain affordable medications than the relatively slight risk of receiving counterfeit medications from Canada. As a state, Iowa and our administration has proposed to engage in importation and reimportation in a manner that proposes to preserve “the pharmacy home” just as we support “a medical home” for residents of our state.
- In Iowa, the Iowa Board of Pharmacy Examiners has the authority under state law to license wholesale pharmacy distributors outside of the borders of the state. The Iowa Board of Pharmacy Examiners proposes, on a pilot basis, to work with its Canadian Provincial counterpart regulatory authority to identify single or several currently licensed, ethical, and experienced wholesale pharmacy distributors to provide sources of medications for state employees, their dependents and retirees in the state of Iowa.

- Iowa proposes to maintain the pharmacy home in our state by having Iowa residents continue to utilize the pharmacy in their local community by processing prescriptions ordered by Iowa physicians which are sent to the local pharmacy.
- Initially we propose to limit the importation or reimportation to approximately the 200 most commonly prescribed medications and on a preliminary basis the cost differential in acquiring those medications through Canada can both save on the cost of prescription medications while compensating our pharmacists for providing professional services for their patients. We believe steps can be taken to assure the safety of pharmaceutical goods through such a program and again believe the risks associated with Canadian importation and reimportation have been hysterically overstated.
- For a number of years I was responsible for both the Medicaid program and the Public Health program in the state of Maine. Maine has thousands of individuals who have, directly or in the mail, been obtaining their medications through Canada for many years. Unless things have changed in the last year, we did not have a single example of a problem in this regard.
- In fact, we believe there are more problems internal to the U.S. mail order prescription drugs. It is our view in Iowa that people unfortunately go without access to medications on a daily basis who should and could otherwise if they were more affordable. Experience in Maine and other states that have introduced state supplemental prescription programs have shown that there is a great need for affordable medications for not only senior citizens but for younger persons including children who may currently not be receiving those medications because of affordability.
- Finally, I might point out to the members of the Importation Task Force that Canada is not the least expensive country for medications in the West. Many other Western countries pay even less than Canada for medications. There are opportunities for the prescription drug manufactures to make an adequate profit by expanding affordability and access to additional customers (patients) and their families.
- While I would favor much broader access across borders to importation and reimportation, at a minimum we urge support for authorizing pilot projects, such as those envisioned in Iowa involving local pharmacies, the Iowa Board of Pharmacy Examiners, state employees, their dependents and retirees. Thank you for your consideration.